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Public Service Commission of Wisconsin

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Cheryl L. Parrino, Chairman
Scott A. Neitzel, Commissioner
Daniel J. Eastman, Commissioner

Jacqueline K. Reynolds, Executive Assistant
Lynda L. Dorr, Secretary to the Commission
Steven M. Schur, Chief Counsel

April 11, 1996

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Mr. William F. Caton, Acting Secretary
Office of the Secretary
Federal Communications Commission
Washington, DC 20554

Re: Federal-State Joint Board on Universal Service

CC Docket 96-45

Dear Mr. Caton:

Pursuant to the Notice of Proposed Rulemaking, dated March 8, 1996, the Public Service Commission of Wisconsin is providing the enclosed comments. Enclosed are the original, plus four copies as requested.

Sincerely,

Cheryl L. Parrino

Cheryl L. Parrino
Chairman

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Enclosures

cc: Service List
International Transcription Service, Inc.

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Before the
Federal Communications Commission
Washington, D.C. 20554

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In the Matter of

Federal-State Joint Board on
Universal Service

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CC Docket No. 96-45

COMMENTS OF THE
PUBLIC SERVICE COMMISSION OF WISCONSIN

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I. Introduction

1. In its Notice of Proposed Rulemaking and Order Establishing Joint Board (Notice) adopted on February 8, 1996,¹ the Federal Communications Commission (FCC or Commission) initiated a rulemaking to consider and implement regulatory changes involving universal service issues in response to Section 254 of the Telecommunications Act of 1996 (1996 Act).² The Public Service Commission of Wisconsin (Wisconsin PSC), having been given general regulatory authority over public utilities within our jurisdiction, hereby submits these Comments on universal service issues most directly related to state regulatory policy. The Wisconsin PSC submits these comments in the interest of sharing the experiences and results of its year-and-a-half process of arriving at rules for its statutorily-mandated intrastate universal service fund (WUSF) which meets many of the goals put forth in the 1996 Act.

¹ In the Matter of Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Notice of Proposed Rulemaking and Proposed Order Establishing Joint Board,, FCC 96-93 (March 8, 1996).

² Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56 (1996) (to be codified at 47 U.S.C. §§ 151 et seq.).

In 1993 Wisconsin Act 496 (Act 496), the legislature enacted a new regulatory model to manage the transition to a competitive telecommunications marketplace without compromising the concepts of universal service. The Commission was given broad authority to clarify and establish universal service concepts and to fund the programs necessary to assure universal service. The WUSF will be operational on May 1, 1996.

Statutory goals for the fund are:

- To assist low-income customers, customers with disabilities, and customers in areas of Wisconsin that have relatively high costs of telecommunications services in obtaining affordable access to a basic set of essential services.
- To assist in the deployment of advanced service capabilities of a modern telecommunications infrastructure throughout this state.
- To promote affordable access throughout this state to high-quality education, library and health care information services.

The rules adopted by the Wisconsin PSC in the newly created ch. PSC 160, Wis. Adm. Code, govern the provision of universal telecommunications service and the establishment of a universal service fund. A copy of these rules is provided as attachment 1 to this document. Important features of these rules include:

- identification of the essential components of universal local exchange service that shall be available at affordable prices to all residents of the state.

- requirements for advanced service capabilities to be available upon request in a timely manner and at affordable prices throughout the state.
- toll blocking service for low-income customers along with a waiver process for the requirement.
- eligibility criteria for the various universal service programs that are designed to protect low-income customers.
- Link-Up and Lifeline programs to make essential service more affordable for low-income customers.
- voice-mail service for the homeless so they are more accessible by telephone to employers, medical services, social services and other necessary contacts.
- vouchers to assist individuals with disabilities in the purchase of telecommunications equipment necessary for affordable access to and comparable use of essential services.
- clarification of pay telephone service providers' responsibilities for pay telephone usability by individuals with disabilities.
- adaptation of the Commission's existing rate ceiling policy to address competitive telecommunications markets.
- provision for the Commission to approve other universal service programs to protect high-cost customers in competitive areas.
- continuation of the Commission's current rate shock mitigation policy.

- establishment of a rate discount program for institutional customers which promotes affordable access throughout the state to high-quality education, library, and health care information services.
- assignment of a provider of last resort for local services and a process for change under competition.
- a process for changing the provider of last resort for intraLATA toll services.
- prohibition of identification of a charge on customers' bills for recovery of payments to the WUSF.
- services and compensation of the WUSF administrator and the audit of the fund.
- a budget process for the USF.
- WUSF assessment calculation and collection procedures and disbursement of payments.
- guidelines for the formation and operation of a WUSF Council which advises the Commission on administration of the WUSF and development of these rules.

A summary of the Wisconsin PSC's low-income programs is provided as
Attachment 2 to this document.

II. Goals and Principles of Universal Service Support Mechanisms

A. General Principles Enumerated in the 1996 Act

2. The Notice requests comments on seven principles enumerated in Section 254 of the 1996 Act, specifically how each of the principles should influence the Commission's policies on universal service.³ The Wisconsin PSC enthusiastically supports the direction of Congress in giving such an emphatic endorsement to universal service principles in the 1996 Act, and urges the Commission to work in cooperation with state regulators to develop practical implementation procedures in our respective jurisdictions. The Wisconsin PSC has or is currently attempting to answer many of the same questions that the Commission is examining, in rulemakings and other proceedings related to competition, service costing and pricing, incentives for the deployment of advanced services, and the evaluation of universal service issues.

III. Support for Rural, Insular, and High Cost Areas and Low-Income Consumers

B. Support for Rural, Insular, and High Cost Areas

1. What Services to Support

The Wisconsin PSC with the advice of the telecommunications industry, commercial service users and elderly and consumer groups gave the following definition to essential

³ Notice, para. 4.

services. Essential services are those that each Wisconsin customer must receive or have access to as part of basic telephone service. The Wisconsin PSC believes these rules cover the provision of basic telephone service that meets the minimal needs of all households for interaction in the economy and positions them to take advantage of the new features that will be made available in a competitive local marketplace.

Section PSC 160.03, Wis. Adm. Code, ESSENTIAL TELECOMMUNICATIONS SERVICES. (1) Each local exchange service provider shall make available to all its customers at affordable prices all essential telecommunications services.

(2) "Essential telecommunications services" means all the following:

(a) Single-party voice-grade service with:

1. Line quality capable of facsimile transmission.
2. Line quality capable of data transmission as specified in s. PSC 160.031, Wis. Adm. Code.⁴
3. Dual-tone multi-frequency touch tone and rotary pulse dialing operability.
4. Access to emergency services numbers and 9-1-1 operability where requested by local authorities.

⁴ Section PSC 160.031, Wis. Adm. Code, ESSENTIAL DATA TRANSMISSION CAPABILITY. (1) The data transmission capability specified in s. PSC 160.03 shall be at least 9600 bits per second effective July 1, 1996.

(2) For lines extending greater than 10,000 feet from the central office, this data transmission capability requirement shall be met under an implementation schedule to be set by the commission.

(3) Local exchange service providers unable to meet the data transmission capability requirement in sub. (1), shall notify the commission in writing by May 1, 1996. These local exchange service providers shall achieve compliance with this requirement under an implementation schedule to be set by the commission.

5. Equal access to interlata interexchange carriers subject to federal communications commission orders and rules.
 6. Equal access to intralata interexchange carriers pursuant to schedules, terms and conditions imposed by commission orders and rules.
 7. Single party revertive calling.
 8. A reasonably adequate local calling area as defined by the commission.
 9. Connectivity with all public toll, local, wireline and wireless networks.
 10. Telecommunications relay service for voice-to-text and text-to-voice translation between teletypewriter users and non-teletypewriter users.
 11. Access to operator service.
 12. Access to directory assistance.
 13. Toll blocking, 900 and 976 number blocking and extended community calling blocking options as specified in s. PSC 160.04⁵.
 14. Intercept and announcements for vacant, changed, suspended and disconnected numbers.
 15. A directory listing with the option for non-listed and non-published service.
- (b) Annual distribution of a local telephone directory in accordance with s. PSC 165.055.

⁵ PSC 160.04 TOLL BLOCKING. (1) **BLOCKING OBLIGATIONS.** Every local exchange service provider in the state shall offer the capability to block all long distance calls and, separately, the capability to block 900 and 976 number calls and, by January 1, 1997, the capability to block extended community calling unless a timely waiver has been granted to the local exchange service provider by the commission.

(2) **CHARGES.** Blocking shall be without monthly or nonrecurring charge to low-income customers and at no charge other than for second and subsequent service activation orders for other residential and standard business line customers.

(3) **EMERGENCY SERVICE.** Blocking shall not prevent the customer from reaching the emergency service numbers appropriate for the customer's location.

- (c) Public pay telephone service, as specified by s. PSC 165.088, semi-public pay telephone service and private pay telephone service subject to commission orders and ch. PSC 169.
- (d) Timely repair.

The Wisconsin PSC believes that each and every one of these features is part of universal telephone service. Reasonable pricing, whether bundled or unbundled, should be expected for these features. Where a competitive environment is not found to assure such pricing or where costs are unavoidably high due to the service territory, assistance may be appropriate. It is advisable for the FCC to establish a list like that contained in s. PSC 160.03, Wis. Adm. Code, which will serve as both a guideline for adequate service and for distinguishing the maximum levels of service for which federal support funding may be obtained. This will also minimize the potential for inequitable distribution of funds among jurisdictions resulting from their differing modernization goals and implementation schedules.

Care should be taken by the Commission in defining access to emergency services. The Wisconsin PSC currently defines it as the ability to place calls to these numbers (e.g. 9-1-1, or the seven digit numbers for fire, emergency medical service, law enforcement, and poison center where 9-1-1 is not available). The Wisconsin PSC does not currently provide support for the specialized call routing network to deliver those calls to their designated government chosen Public Safety Answering Point, except for low-income customers. These 9-1-1 network costs are, at the option of the county, charged to telephone customers on a county-based fee. The Wisconsin PSC will report to the legislature by the end of 1996 as to

whether the WUSF should fund 9-1-1 call routing networks. Without having completed that report, we cannot make a recommendation on this subject at this time.

2. How to Implement

The Wisconsin PSC believes that affordability should be defined relative to the household income levels within a small definable area. In Wisconsin we chose counties; however, we recognize that in some states these may be very large geographic areas covering both rural and urban service territories. Whether the Commission chooses cost (actual or proxy) or price as the target for subsidy calculation, it is necessary to relate the level of support to the median household income because this directly relates to the ability of those households to pay for the basic service.

Under the Wisconsin PSC's rules, a sliding scale for support based on the local rate is tied with a sliding scale that sets the proportion of a flat rate service which will be considered related to local calling; intraexchange and Extended Area Service (EAS) calls. Although we use a factor to separate switching from the loop, an income-based support target could allow for integration of the switching and loop costs. It then would not matter whether one or both contributes to the high cost or rate if the combined effect is nationally tied to the ability of the customers to pay for their local service. This means the Dial Equipment Minutes (DEM) weighting program could be phased out and replaced, as it should be since it is based on an inappropriate, or at least poorly gauged, proxy for high switch costs per subscriber.

The Wisconsin PSC allows under its rules for alternative plans for intrastate high-cost support and the FCC has appropriately noticed several for comment. Consideration must be given to plans that involve competitive bidding to set assistance levels where competition is evolving between legitimate, established, and comparable providers. A two-stage process of bidding may be most appropriate to assure that anomalous bids do not produce unreliable or unwanted results. Further, consideration must be given to proxy methods that are refined enough to reliably identify true cost characteristics with enough granularity to assure that carriers cannot game the system. Such proxy models have not yet been brought forth, although that is not to say those that have been brought forth cannot be refined sufficiently to fit the task. To date the loop proxy models have only been compared to the historic actual cost results. It would be appropriate on a going forward basis to test and readjust the proxy models to reflect the results of competitive bidding where comparability of service territories is evident.

C. Support for Low-Income Consumers

1. What Services to Support

The Wisconsin PSC believes that the basic package of essential services outlined in its rules defines the services that are sufficient for access to telecommunications and information services. There are at least two identifiable services on that list which the Wisconsin PSC found should be included under a package price for low-income customers. Those are any

county-imposed monthly 9-1-1 service charges and toll and pay-per-call blocking services.

The 9-1-1 charges imposed by counties in Wisconsin are nonoptional charges, and the blocking services are considered necessary services for low-income customers to control their total telecommunications bills.

In a measured rate environment, local call charges should not be imposed for any customer to reach the service numbers of their local service provider. Providing a mechanism for customers to reach the business office or repair service is a general cost of doing business that should be recovered in any charges for service order activity. As general operating costs, foregone call charges or costs should not be reimbursable under the fund.

Service deposits can be an obstacle to telephone subscription for low-income customers and the current federal Link-Up program offers matching assistance for state programs. The Wisconsin PSC staff is investigating the option of allowing customers the option of connecting to toll-limited or toll-restricted service in lieu of a deposit. In an attempt to address the issue of fraud, Ameritech Wisconsin is, under a rule waiver, currently authorized to connect customers to toll-restricted service if they are unable to provide positive proof of identification upon application.

2. How to implement and Who is Eligible for Support

The matching of intrastate rate mechanisms for provision of Lifeline and Link-Up programs is still an appropriate model under the 1996 Act, even if the programs expand.

States responded positively to the previous programs and there is no reason to believe that mutual cooperation will not continue.

At a minimum, if the interstate subscriber line charge (SLC) increases, there should be an equal increase in the federal Lifeline matching funding. Even whether or not the SLC increases, it would be appropriate to consider expanding the current federal program to an equal matching of state Lifeline program funding even if the state contribution exceeds the SLC. To temper this, there is probably some reasonable limit on how low a Lifeline rate can go before federal matching ceases. In Wisconsin under the new WUSF rules, low-income customers will pay no more than \$15 per month for a local service package including the local line with 120 local calls, touch-tone dialing, 9-1-1 service, and whatever SLC level may apply. Again, optional toll blocking is included at no charge if requested.

D. Ensuring that Supported Services for Rural, Insular, and High-Cost Areas and Low-Income Consumers Evolve

The Wisconsin PSC is statutorily required to review and, as necessary, revise its WUSF rules every two years. That time interval may also be appropriate for review of the federal universal service programs.

The request for public comment and Joint Board recommendation regarding reporting requirements is premature. Such comments would seem to be more appropriate as

follow-up to the establishment of rules under this NPRM. A request for further comment on reporting requirements necessary to measure the effectiveness of the new and revised federal USF programs in achieving the 1996 Act's goals should be issued after those programs are decided.

IV. Schools, Libraries, and Health Care Providers

A. Goals and Principles

As was previously stated, the Wisconsin PSC was statutorily given the following responsibilities with regard to advanced telecommunications services:

- To assist in the deployment of advanced service capabilities of a modern telecommunications infrastructure throughout this state.
- To promote affordable access throughout this state to high-quality education, library and health care information services.

In fulfillment of those responsibilities, the Wisconsin PSC established the following rules:

Section PSC 160.035, Wis. Adm. Code, ADVANCED SERVICE CAPABILITIES. (1) "Advanced service capabilities" means all the following:

- (a) Digital access lines and channels by January 1, 2000.
- (b) High speed data transfer connectivity by January 1, 2002.

(c) Two-way interactive video conferencing and two-way interactive imaging capabilities by January 1, 2003.

(2) In the absence of alternative providers and in the presence of sufficient demand, or to promote economic development and infrastructure development, a local exchange service provider shall, by the date set by the commission, make available to any customer on request, in a timely manner, at affordable prices, any advanced service capabilities.

(3) Upon its own motion, upon petition by a local exchange service provider for relief from an obligation in par. (2) above or upon petition by a customer alleging that an advanced service is not available in a timely manner, is needed but not scheduled for deployment under this section, or is not priced at an affordable level, the commission may investigate the offering of a given advanced service capability. The investigation shall address, but is not limited to, the reasonableness of the required investment in equipment and facilities, the presence of alternative providers, level of demand, and other factors included in s. 196.03 (6), Stats. Following investigation, including notice and opportunity for hearing, the commission may determine, based on the above criteria, a deployment schedule, a maximum reasonable rate, whether a contributory provider requires assistance from an appropriate intrastate universal service program to provide the service, and any other requirement necessary to meet customer demand for an advanced service capability.

These rules combine a proactive approach of letting local exchange service providers know of their obligations and timetables with an expectation of competitive alternatives in some areas to relieve such providers of unnecessarily duplicating network services. Further, it allows the users to petition the Wisconsin PSC to obtain services regardless of the service or timetable listed in the rules, for affordable pricing of these services, and to determine the appropriate support for such pricing on a service-by-service basis.

The advanced service capability rules are combined with assistance targeted to institutions to promote their connections to these advanced services capabilities for specific purposes as follows:

PSC 160.11 ASSISTANCE TO INSTITUTIONS. (1) Partial support funding through rate discounts is available for institutions ordering telecommunications services to be used to provide any of the following services:

- (a) Two-way interactive video services.
- (b) High-speed data transfer.
- (c) Toll call access to the internet.
- (d) Direct internet access.

(2) Support funding is available only for new services which either were not previously available, or which provide significant improvements over existing services at that institution. Support shall only be available for services obtained from a contributory provider, unless exempted from payment under s. PSC 160.18 (1) (a).

(3) Support funding is available only as partial payment for new services. The amount of funding shall decrease year by year, as follows:

- (a) For the first year, the monthly discount shall be 30 percent of the monthly charge or \$300 per month, whichever is less.
- (b) For the second year, the monthly discount shall be 20 percent of the monthly charge or \$200 per month, whichever is less.
- (c) For the third year, the monthly discount shall be 10 percent of the monthly charge or \$100 per month, whichever is less.
- (d) For the fourth year, and thereafter, no discount shall be issued.

(4) An institution is eligible to receive support for only one service at a time, at a single location. If that service links 2 locations at an institution, the discount may be applied to the entire channel. The University of Wisconsin system may receive a separate discount at each of its regional 2-year and 4-year campuses.

(5) After the discount for a service under sub. (3) has ended, the institution may receive support for a new service. An institution may not receive a discount for a service that has been canceled and reinstated.

For the above assistance program, institutions are defined as follows under

s. PSC 160.01, Wis. Stats.:

(4) "Institutions" means:

(a) Not-for-profit schools, which includes each school in a school district as defined by s. 115.001 (3), Stats., private schools as defined by s. 115.001 (3) (r), Stats., charter schools as defined by s. 118.40, Stats., colleges and universities as defined by s. 36.05 (13), Stats., and vocational, technical and adult education districts as defined by s. 38.01 (5), Stats.

(b) Public libraries.

(c) Not-for-profit hospitals.

Through these rules, the Wisconsin PSC limited the services to be discounted to assure that such services were being deployed by institutions for a purpose that was identified in Wisconsin Act 496. As will be discussed in the following section, it may be best to provide some broad guidelines to identify the advanced service capabilities needed and the allowable applications for state programs to administer.

V. Enhancing Access to Advanced Services for Schools, Libraries and Health Care Providers

It may be reasonable to provide broad definitional guidelines for state programs and provide matching funds or direct grants for the state programs. This concept has been quite successful with the Lifeline and Link-Up programs and would allow states commissions to be innovative in overcoming the particular obstacles to deployment of the identified technologies by institutions within their states.

While the Wisconsin USF program is currently only promotional--time-limited discounts off of tariff or contract rates--there is no reason to so limit the federal program. Further, there is latitude for the Commission to tie its advanced services programs to the demographics of a region or service territory. Some advanced services will likely be more reasonably priced and affordable even to nonprofit institutions in urban areas than in rural, insular, or low-income areas of the country. It would seem unnecessarily expensive to generally discount rates for institutions across the country when there is likely a wide variation in the ability of institutions to pay and in the service prices offered to the institutions. To effectively target the funds to achieve the 1996 Act's goals, it may be reasonable to assess the affordability of these services according to demographic and geographic factors.

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VI. Other Universal Service Support Mechanisms

Argument has been made repeatedly that all nontraffic sensitive costs should be assessed through a flat charge on all end users. Yet the allocation of this nontraffic sensitive cost is made based on usage. There are alternatives for recovery of these costs which are not pursued currently because of the previous decision to bill them on a fixed monthly charge basis to all end users. Unresolved controversies and strained applications of equivalency factors have resulted from trying to harmonize SLC application among various types of access lines due to their variable capacities and dependent on the equipment deployed on the lines.

The very controversies regarding line capacity and application of the SLC should cause regulators to pause and reflect on how service providers in competitive markets may be recovering similar costs from their customers with variable elasticities of demand. An example is the movement by wireless carriers to allow "calling party pays" arrangements to cover the air time charges to customers who otherwise would use their service only for outgoing calls. The air time rates bear some relation to the shared nature of much of outside telephone plant today. These comments are submitted to spark thought regarding alternative models for addressing allocation of nontraffic sensitive costs to carriers and for experimentation on recovery of those costs by the carriers.

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VII. Administration of Support Mechanisms

All interstate providers of telecommunications service should be assessed on the basis of their gross interstate revenues. There is no need to complicate the process by netting out the payments to other carriers; the potential inequity between different types of providers can be addressed in interconnection rates and resale tariff discounts. The funds should be administered by a third party chosen through a bidding process. These policies are being incorporated into the Wisconsin USF and have met with little or no industry objection.

Close

The Wisconsin PSC submits these comments in the interest of sharing the experiences and results of its year-and-a-half process of arriving at an funded intrastate USF program which meets many of the goals put forth in the 1996 Act.

Respectfully Submitted,



Cheryl L. Parrino
Chairman

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Attachments

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Docket 1-AC-155

Attachment 1

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CHAPTER 160

UNIVERSAL SERVICE SUPPORT FUNDING AND PROGRAMS

PSC 160.01 SCOPE AND PURPOSE. (1) **PURPOSE.** Chapter PSC 160 is designed to effectuate and implement s. 196.218, Stats., and parts of other sections of the Wisconsin statutes, authorizing the commission to establish a universal service fund and programs to further the goal of providing a basic set of essential telecommunications services and access to advanced service capabilities to all customers of the state.

(2) **SCOPE AND EXCEPTION.** (a) The requirements of ch. PSC 160 shall be observed by the telecommunications providers subject to the jurisdiction of the commission as indicated in this chapter, except insofar as any exemption may be made by the commission.

(b) Nothing in this chapter shall preclude special and individual consideration being given to exceptional or unusual situations and upon due investigation of the facts and circumstances involved, the adoption of requirements as to individual providers or services that may be lesser, greater, other or different than those provided in this chapter.

(3) **DISPUTES.** Disputes not resolved between the affected parties regarding assessment or support amounts or the eligibility to receive or the liability to pay under this chapter shall be referred to the commission for resolution.

(4) **ENFORCEMENT.** The manner of enforcing ch. PSC 160 is prescribed in ss. 196.218, 196.499 (17) and 196.66, Stats., and includes such other means as provided in statutory sections administered by the commission.

(5) **ORDERS.** The commission may issue orders it deems necessary to assist in the implementation or interpretation of this chapter. Orders shall be issued only after notice and an opportunity for comment by interested parties including the universal service fund council.

PSC 160.02 DEFINITIONS. The definitions in s. 196.01, Stats., apply in this chapter. In addition, in this chapter:

(1) "Contributory provider" means a telecommunications provider that pays monies to the universal service fund.

(2) "Disability" means a physical or sensory impairment that limits or curtails an individual's access to or usage of telecommunications services. "Disability" includes a speech, vision or hearing impairment and motion impairments that limit an individual's ability to handle telecommunications equipment.

(3) "Emergency service numbers" mean 9-1-1 where available and fire, emergency medical services, law enforcement, and poison center emergency numbers where 9-1-1 is not available.

(4) "Institutions" means:

(a) Not-for-profit schools, which includes each school in a school district as defined by s. 115.001 (3), Stats., private schools as defined by s. 115.001 (3) (r), Stats., charter schools as defined by s. 118.40, Stats., colleges and universities as defined by s. 36.05 (13), Stats., and vocational, technical and adult education districts as defined by s. 38.01 (5), Stats.

(b) Public libraries.

(c) Not-for-profit hospitals.

(5) "Lifeline" means the program that provides reduced monthly service rates for low-income customers.

(6) "Link-Up" means the program that waives service connection charges for low-income customers.

(7) "Local exchange service provider" means a telecommunications utility or any other provider of basic local exchange service or standard business lines and usage.

(8) "Low-income" means a household that receives benefits from one or more of the following programs:

(a) Aid to families with dependent children under 42 USC 601 to 615.

(b) Medical assistance under 42 USC 1395.

(c) Supplemental security income under 42 USC 1381 to 1385c.

(d) Food stamps under 7 USC 2011 to 2029.

(e) The low income household energy assistance program under s. 49.80, Stats.

(f) The Wisconsin homestead tax credit under ss. 71.51 to 71.55, Stats.

(9) "Universal service" means a statewide rapid, efficient, communications network with adequate, economically placed facilities to assure that a basic set of essential telecommunications services is available to all persons in this state at affordable prices and that the advanced service capabilities of a modern telecommunications infrastructure are affordable and accessible to all areas of the state within a reasonable time.

PSC 160.03 ESSENTIAL TELECOMMUNICATIONS SERVICES. (1) Each local exchange service provider shall make available to all its customers at affordable prices all essential telecommunications services.

(2) "Essential telecommunications services" means all the following:

(a) Single-party voice-grade service with:

1. Line quality capable of facsimile transmission.
2. Line quality capable of data transmission as specified in s. PSC 160.031.
3. Dual-tone multi-frequency touch tone and rotary pulse dialing operability.
4. Access to emergency services numbers and 9-1-1 operability where requested by local authorities.
5. Equal access to interlata interexchange carriers subject to federal communications commission orders and rules.
6. Equal access to intralata interexchange carriers pursuant to schedules, terms and conditions imposed by commission orders and rules.
7. Single party revertive calling.
8. A reasonably adequate local calling area as defined by the commission.
9. Connectivity with all public toll, local, wireline and wireless networks.
10. Telecommunications relay service for voice-to-text and text-to-voice translation between teletypewriter users and non-teletypewriter users.
11. Access to operator service.
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13. Toll blocking, 900 and 976 number blocking and extended community calling blocking options as specified in s. PSC 160.04.
14. Intercept and announcements for vacant, changed, suspended and disconnected numbers.
15. A directory listing with the option for non-listed and non-published service.

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Docket 1-AC-155

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Attachment 1

(b) Annual distribution of a local telephone directory in accordance with s. PSC 165.055.

(c) Public pay telephone service, as specified by s. PSC 165.088, semi-public pay telephone service and private pay telephone service subject to commission orders and ch. PSC 169.

(d) Timely repair.

PSC 160.031 ESSENTIAL DATA TRANSMISSION CAPABILITY. (1) The data transmission capability specified in s. PSC 160.03 shall be at least 9600 bits per second effective July 1, 1996.

(2) For lines extending greater than 10,000 feet from the central office, this data transmission capability requirement shall be met under an implementation schedule to be set by the commission.

(3) Local exchange service providers unable to meet the data transmission capability requirement in sub. (1), shall notify the commission in writing by May 1, 1996. These local exchange service providers shall achieve compliance with this requirement under an implementation schedule to be set by the commission.

PSC 160.035 ADVANCED SERVICE CAPABILITIES. (1) "Advanced service capabilities" means all the following:

(a) Digital access lines and channels by January 1, 2000.

(b) High speed data transfer connectivity by January 1, 2002.

(c) Two-way interactive video conferencing and two-way interactive imaging capabilities by January 1, 2003.

(2) In the absence of alternative providers and in the presence of sufficient demand, or to promote economic development and infrastructure development, a local exchange service provider shall, by the date set by the commission, make available to any customer on request, in a timely manner, at affordable prices, any advanced service capabilities.

(3) Upon its own motion, upon petition by a local exchange service provider for relief from an obligation in par. (2) above or upon petition by a customer alleging that an advanced service is not available in a timely manner, is needed but not scheduled for deployment under this section, or is not priced at an affordable level, the commission may investigate the offering of a given advanced service capability. The investigation shall address, but is not limited to, the reasonableness of the required investment in equipment and facilities, the presence of alternative providers, level of demand, and other factors included in s. 196.03 (6), Stats. Following investigation, including notice and opportunity for

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Docket 1-AC-155

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Attachment 1

hearing, the commission may determine, based on the above criteria, a deployment schedule, a maximum reasonable rate, whether a contributory provider requires assistance from an appropriate intrastate universal service program to provide the service, and any other requirement necessary to meet customer demand for an advanced service capability.

PSC 160.04 TOLL BLOCKING. (1) **BLOCKING OBLIGATIONS.** Every local exchange service provider in the state shall offer the capability to block all long distance calls and, separately, the capability to block 900 and 976 number calls and, by January 1, 1997, the capability to block extended community calling unless a timely waiver has been granted to the local exchange service provider by the commission.

(2) **CHARGES.** Blocking shall be without monthly or nonrecurring charge to low-income customers and at no charge other than for second and subsequent service activation orders for other residential and standard business line customers.

(3) **EMERGENCY SERVICE.** Blocking shall not prevent the customer from reaching the emergency service numbers appropriate for the customer's location.

(4) **PUBLIC NOTIFICATION AND EDUCATION.** A local exchange service provider shall make all reasonable efforts to inform customers within its service areas of the availability of, and eligibility requirements for cost-free toll blocking services, 900 and 976 number blocking services and extended community calling blocking services. The local exchange service provider shall also make reasonable efforts to instruct eligible customers requesting the service in use of the equipment or service.

(5) **PETITION FOR WAIVER.** A local exchange service provider seeking a waiver of its blocking obligations under this section shall submit to the commission the following information:

(a) The provider's name and address.

(b) An explanation of why a waiver is being requested and of why the provider considers implementation of blocking to be an unreasonable expense for the provider and its customers.

(c) Costs of hardware, software, programming, customer education, installation, maintenance and any other costs, on a per-customer basis, for blocking capability using customer premises equipment.

(d) Costs of hardware, software, programming, customer education, installation, maintenance and any other costs, on a per customer basis, for blocking equipment installed in a central office, providing a separate calculation for each exchange for which an exemption is requested.